

SUNTAR ECO-CITY LIMITED

(Company Registration No. 200613997H)

(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERY ON THE COMPANY'S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the "**Board**") of Suntar Eco-City Limited (the "**Company**" or together with its subsidiary, the "**Group**") refers to the announcement made by the Company of its Annual Report for the financial year ended 31 December 2024 ("**FY2024**") released to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 13 May 2025 (Announcement Reference: SG250513OTHR12WR).

The Board wishes to provide the additional information in response to the SGX-ST's queries as follows: -

Query 1:

We have noted a discrepancy of over 27% in the "Other Payables" balance between the audited accounts (RMB 29.005 million) and the unaudited accounts (RMB 22.817 million). This discrepancy was not addressed in the Company's announcement on 7 May 2025 regarding the discrepancies between unaudited and audited accounts. Please reconcile these figures and provide a detailed explanation for the adjustment.

Company's Response to Query 1:

The discrepancy was due to the rescission of certain property transactions with a related party, as disclosed in the Company's announcement dated 7 May 2025 in Notes A. The adjustment, which resulted in a higher "Other Payables" balance in the audited accounts, arose from the reversal of those transactions.

Query 2:

Please provide the reasons for the increase in trade receivables from RMB 1.59 million to RMB 3.67 million (an increase of 131%), despite a 71% decrease in revenue from RMB 35.42 million to RMB 10.24 million.

Company's Response to Query 2:

The increase was mainly due to an increase in receivables from Dalan, which rose from RMB 0.37 million to RMB 3.03 million during the period. Specifically, trade receivables due from a major customer which had an outstanding balance of RMB 3.02 million as at 31 December 2024. As at 30 April 2025, RMB 0.02 million remains outstanding. The increase in trade receivables occurred despite a 71% decrease in revenue from RMB 35.42 million to RMB 10.24 million, primarily reflecting timing differences in collections.

Query 3:

Based on the Company's revenue recognition policy, revenue from sale of property is recognised when the completed property is delivered to the customers and the customers have accepted the delivery. In FY2024, the Group recorded RMB 2.0 million of "monies received from customers not refunded" in its property development segment. Please disclose what is the nature of "monies received from customers not refunded" ?

Company's Response to Query 3:

The RMB 2.0 million of “monies received from customers not refunded” in FY2024 relates to an advance payment made by a customer who intended to become a distributor of the Group. As the customer did not proceed with the required plans and performance criteria and ultimately gave up the distributor qualification, the arrangement did not materialise and no refund was requested. In accordance with Article 188 of the Civil Code of the People's Republic of China, which provides a three-year limitation period for civil claims, the amount was reclassified as non-operating income after the limitation period had expired.

Query 4:

It is stated in the Chairman's message that the Group completed the development of the Lan County residential project in 2016 and commenced the Lanjun Jiangnan property development project in 2022. In 2024, the Lanjun Jiangnan project achieved sales rate of 75%. Please disclose when the Lanjun Jiangnan project was completed, and what percentage of units remain unsold in each of these 2 projects.

Company's Response to Query 4:

The Lanjun Jiangnan project was completed on 18 September 2024. As at 31 December 2024, 25% of the units remain unsold.

Property Type	Residential Units	Villa Units	Commercial Units	Parking Lots	Total
Total Units	238	13	21	271	543
Units unsold till 2024	39	10	8	80	137
Percentage of unsold units	16%	77%	38%	30%	25%

The Lan County residential project was completed in 2016. As at 31 December 2024, 27% of the units remain unsold.

Property Type	Residential Units	Commercial Units	Parking Lots	Total
Total Units	69	10	43	122
Units unsold till 2024	4	10	19	33
Percentage of unsold units	6%	100%	44%	27%

BY ORDER OF THE BOARD**PAN SHI MO**
Independent Chairman**28 May 2025**